

## Message Text

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PAGE 01 ANKARA 00257 111611Z  
ACTION EUR-12

INFO OCT-01 IO-13 ISO-00 AID-05 CIAE-00 COME-00 EB-08  
FRB-03 INR-07 NSAE-00 TRSE-00 XMB-02 OPIC-03  
SP-02 LAB-04 SIL-01 OMB-01 SS-15 STR-06 CEA-01  
NSCE-00 SSO-00 USIE-00 INRE-00 /084 W  
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O R 111446Z JAN 78  
FM AMEMBASSY ANKARA  
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INFO AMCONSUL ADANA POUCH  
AMEMBASSY ATHENS  
AMEMBASSY BONN  
AMEMBASSY BRUSSELS  
AMCONSUL ISTANBUL  
AMCONSUL IZMIR  
AMEMBASSY NICOSIA  
AMEMBASSY PARIS  
CINCUSAFE  
USCINCEUR  
USDOCOLANDSOUTHEAST IZMIR  
USDOCOSOUTH NAPLES  
USMISSION GENEVA  
USMISSION USNATO

C O N F I D E N T I A L ANKARA 0257

USEEC

USOECD

USDOCSOUTH FOR INTAF

E.O. 11652: GDS  
TAGS: EFIN, IMF, TU  
SUBJECT: TIMING OF TURKISH INVITATION FOR RETURN OF IMF TEAM

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1. NEW TURKISH GOVERNMENT OF BULENT ECEVIT WILL INVITE  
IMF TO RESUME DISCUSSIONS ON A STANDBY CREDIT AGREEMENT  
AFTER IT(1) PRESENT ITS PROGRAM TO PARLIAMENT JANUARY  
12, (2) RECEIVES VOTE OF CONFIDENCE EXPECTED TO COME  
NEXT WEEK, (3) WORKS OUT IMPORTANT DETAILS OF IMPLEMENT-  
ING BROAD ECONOMIC PROPOSALS TO BE SET FORTH IN PROGRAM,  
AND (4) STUDIES RESULTS OF DISCUSSIONS BETWEEN PREDE-

CESSOR DEMIREL GOVERNMENT AND THE FUND. THIS GENERAL SEQUENCE REFLECTS VIEWS OF SADULLAH AYGUN, DIRECTOR GENERAL OF FOREIGN FINANCING IN THE TREASURY, WHO WAS HEAD OF THE TURKISH TEAM NEGOTIATING THIS PAST FALL WITH THE FUND; VURAL GUCSAVAS, WHO IS EXPECTED TO BE ANNOUNCED SOON AS THE NEW SECRETARY-GENERAL OF THE TREASURY; AND MRS AYSEL OYMEN, WHO, WE UNDERSTAND, IS LIKELY TO BE ASSISTANT TO GUCSAVAS AND, WE WOULD GUESS, MIGHT POSSIBLY BE AYGUN'S SUCCESSOR. CONVERSATIONS WITH THESE OFFICIALS TOOK PLACE IN CONNECTION WITH CURRENT VISIT OF EXIMBANK GROUP TO ANKARA.

2. THERE IS NO DOUBT THAT THE NEW GOVERNMENT WILL RESUME TALKS AT THE FIRST MOMENT WHEN IT IS PREPARED TO DO SO. GUCSAVAS COMMENTED THAT SINCE THE OIL CRISIS, NEW RULES HAD DEVELOPED FOR GAINING ACCESS TO INTERNATIONAL MOENEY MARKETS. TURKEY, HE IMPLIED, HAD TO ABIDE BY THESE, BY WHICH WE UNDERSTOOD HIM TO REFER TO THE NEW RELIANCE OF INTERNATIONAL COMMERCIAL BANKS IN LENDING DECISIONS ON CONCLUSION OF STANDBY AGREEMENTS WITH THE FUND AS A SIGNAL OF RENEWED CREDIT-WORTHINESS OF LDC'S IN PAYMENTS DIFFICULTIES. MRS OYMEN ADDED THAT THE NEW GOVERNMENT WOULD CERTAINLY REACH AGREEMENT WITH THE FUND AND THAT IT WOULD BE IN CONTACT WITH THE IMF AS SOON AS IT COULD PREPARE ITSELF.

3. YAVUZ CANEVI, DIRECTOR GENERAL FOR FOREIGN EX-  
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CHANGE IN THE CENTRAL BANK AND A MEMBER OF THE TURKISH TEAM THAT WAS TALKING WITH THE FUND LAST FALL, EXPRESSED CONCERN THAT THE NEW GOVERNMENT MIGHT WANT TO START TALKS FROM THE BEGINNING OR AT LEAST TO GIVE THE APPEARANCE OF REACHING AN AGREEMENT THAT WAS ENTIRELY INDEPENDENT OF WHAT HAD BEEN WORKED OUT WITH THE DEMIREL GOVERNMENT. HE ACKNOWLEDGED THAT HE HAS NO INFORMATION ABOUT ECEVIT GOVERNMENT PLANS BEYOND WHAT HE HAD BEEN READING IN THE NEWSPAPERS.

4. ZEKERIYA YILDIRIM, ASSISTANT TO CANEVI, OFFERED SUGGESTION TO EMBOFF OVER LUNCH GIVEN BY CENTRAL BANK FOR EXIM TEAM, THAT ECEVIT GOVERNMENT MIGHT CHOOSE TO ADOPT ECONOMIC AUSTERITY PROGRAM THAT IT BELIEVED WOULD MEET IMF REQUIREMENTS AND THEN SEEK IMF APPROVAL. ECEVIT COULD THEN CLAIM THAT THE AUSTERITY PROGRAM WAS ENTIRELY TURKEY'S OWN, SUBSCRIBED TO OF ITS OWN FREE WILL RATHER THAN AT DEMAND OF IMF, AND MERELY ENDORSED BY THE FUND.

5. COMMENT. EMBASSY DOES NOT CONSIDER ANY OF THESE COMMENTS AS BASIS FOR ASSUMING THAT PRIME MINISTER ECEVIT WILL DELAY ANY MORE THAN NECESSARY BEFORE RE-

OPENING TALKS WITH THE IMF. HE WILL, OBVIOUSLY, WISH TO  
GIVE THE AGREEMENT HIS OWN STAMP AND THERE WILL UNDOUBTEDLY  
BE A LAPSE OF A MONTH OR SIX WEEKS, IN OUR OPINION, BEFORE  
GOVERNMENT READIES ITSELF TO MEET WITH FUND. ALL IMPRESSIONS  
WE HAVE RECEIVED TO DATE FROM NEW GOVERNMENT UNANIMOUSLY  
INDICATE ITS ACUTE APPRECIATION OF NEED TO MOVE FAST AND  
SOUNDLY TO CORRECT TURKEY'S SEVERE ECONOMIC IMBALANCES.  
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## Message Attributes

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**Current Classification:** UNCLASSIFIED  
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**Disposition Case Number:** n/a  
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